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25 AGRICULTURAL COOPERATION

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ORANGE ASSOCIATION MANAGEMENT INAUGURATES A NEW SERVICE

An income tax service has been established by the Mutual Orange Distributors, Redlands, Calif., to be continued to March 15, next. The service is inaugurated for the benefit of the member growers. It is proposed that the members submit their problems by letter and it is promised that the association officers will do their best to find the correct solutions.

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FEDERATION OF WASHINGTON APPLE GROWERS

The Yakima Fruit Exchange, Yakima, Wash., was formed June 25, 1924, by three associations of apple growers. Its legal existence began with the filing of its articles of incorporation on July 7 and on July 15 it opened its offices and began operating.

Capital stock to the amount of \$10,000 was issued, one-third of the total being subscribed by each local unit.

Its first season, the exchange handled 132,401 boxes of apples at an expense of \$8,291, an average of 6.26 cents a box. Direct sales were made by the exchange in 47 cities in 25 states.

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OHIO APPLE GROWERS IMPROVING GRADE AND PACK

Consideration is being given by the management of the Ohio Fruit Growers' Cooperative Association, Columbus, Ohio, to the advisability of formulating a definite program for limiting the number of varieties of apples grown for commercial purposes. With the formation of the association, which is a federation of local units, attention was given to standardization problems and in the opinion of the management, considerable headway has been made. Packing houses operated by the local units have been established near the producing orchards and these have proved an effective means for improving the grade of fruit and insuring a standard pack. As a result of four years of consistent work, the output of the units is not only fairly uniform, but has become favorably known to those in the channels of trade.

"BIG Y" APPLE GROWERS PLANNING FOR FUTURE

Twelve district meetings of the membership of the Yakima Fruit Growers' Association, Yakima, Wash., have been arranged that the president and general manager of the organization may report in detail regarding the activities of the association during the past season. These meetings are scheduled for points which will permit practically all the members to attend one or more meetings.

Consideration is being given by the board of directors to a program which calls for the enlargement of five of the packing houses and the addition of considerable new equipment, including sizing machines and cold storage machinery.

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CALIFORNIA CITRUS EXCHANGE APPRECIATES PUBLICITY

That there might be as little delay as possible in taking the general public into its confidence the management of the California Fruit Growers' Exchange mailed galley proofs of its forthcoming annual report to men writing for publication and to other key men in various parts of the United States. This was good strategy. The exchange is the oldest of the large-scale farmer-owned and farmer-controlled marketing organizations in the United States. It handles over 70 per cent of the California citrus shipments. The degree of efficiency with which the marketing functions are performed is a matter of interest to consumers of citrus fruit.

The management appreciates that the most vital factor in its entire marketing program is the consumer and that if he becomes dissatisfied, regardless of whether there may or may not be reason for dissatisfaction, the entire marketing organization back to the producers is affected. The management further appreciates the fact that one of the surest ways to prevent dissatisfaction and a possible decrease in the demand for the products which its members have for marketing, is to take the consuming public into its full confidence by accurate and detailed information regarding the workings of the big marketing machine.

Not only are figures given regarding the quantity of fruit handled and the delivered and f.o.b. returns, but figures indicating the per-box cost of performing the various functions undertaken by the central exchange, also the per-box cost of the district exchange and the assessments for advertising. The more important features of the exchange service are mentioned in sufficient detail to permit the reader to appreciate fully the value of the services and the trifling expense per box required to provide them.

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PRUNE AND APRICOT ASSOCIATION PROBLEMS

Among the farmers' marketing organizations concerned in readjusting themselves to present economic conditions, is the California Prune and Apricot Growers' Association, San Jose, Calif. Exceptional efforts are being made to solve three vital problems, namely; growers relations, successful merchandising, and efficient management.

At the annual meeting of the membership and the voting board held in May, steps were taken toward the reorganization of this business enterprise on what appeared to be more democratic lines. Subsequently, a vote of the membership was taken as to the advisability of providing for withdrawal on the part of member growers, and the advisability of abolishing the voting board which elects the board of directors, and providing for the election of directors by the direct vote of the membership.

Of the 11,396 members of the association, but 9,705 are at present active fruit growers. These growers represent 107,839 acres of prunes and 36,672 acres of apricots. But 4,450 growers participated in the referendum ballot respecting a by-law permitting withdrawal. This number was less than fifty per cent of the number of active members. A total of 2,252 ballots were cast in favor of a withdrawal privilege, and 2,128 against such privilege, an apparent majority of 124 for the affirmative. Those voting for the right to withdraw represented about one-fourth of the fruit acreage of the total membership.

Four thousand two hundred ballots were cast in the referendum regarding the abolition of the voting board. Of this number, 3,135 favored abolition and 1,065 opposed abolition, giving an apparent majority of 2,070.

As a majority of the active members of the association did not participate in the vote, the voting board in its semiannual meeting on November 11 found itself unable to determine the wishes of the members and so decided to continue the present form of organization, at least to such time as the will of the majority might become definitely known.

As part of the program to get the membership actively interested in the affairs of the association, the president and general manager made a tour of the producing sections, holding meetings with members. The president's comments at the conclusion of the tour were, "We learned a lot from individuals we met and we tried to interpret back to them the things we are trying to do."

When the present president took up the duties of his office in May last, he announced a program based upon the slogan, "sell and save." Since that date, many millions of pounds of prunes and apricots have been marketed on terms which are considered favorable to the grower.

As an advertising feature during the holiday season, members were urged to send five-pound boxes of prunes to their friends in the Eastern States. They were told to "sav it with prunes this year!" and to do it so that it would have "the ring of California hospitality and the tang of California sunshine." Fancy prunes attractively packed were furnished by the association at cost for the carrying out of the idea.

Comparative figures have been compiled by the management to show exactly what was accomplished along efficiency lines during the four months from July 1 to November 1, 1925. Advances to growers amounted to over \$4,600,000 compared with \$3,200,000 for the same period in the preceding year. Pay rolls were under those for the same four months in 1924 by \$12,000. Plant overhead showed a reduction of over \$7,000 and general administration nearly \$9,000, as will be noted in the table given below:

Four months:	Advances	Pay-	Plant	General
July 1 to :	to	rolls	overhead:	administra-
Nov. 1 :	growers	:	:	tion
1922 :	\$5,228,791 :	\$402,984 :	----- :	-----
1923 :	2,795,511 :	404,146 :	\$97,463 :	-----
1924 :	3,209,694 :	290,145 :	69,323 :	\$30,005
1925 :	4,649,497 :	267,397 :	61,810 :	21,007

In speaking of the future, the president in his recent semiannual report said, "the time will come when this association, to compete successfully with its competitors, will have to centralize operations.... We have too many packing houses, too widely scattered, old style, improperly located for assembling of fruit, and improperly equipped for efficient handling.... These will have to be sold and the business centralized."

Investments in share capital and advance funds amounted to over \$3,000,000 on October 31. The items making up the total were preferred stock, \$355,800; common stock, \$1,407,700; advance funds, \$1,010,235.

The following table shows the capital investments as of October 31, for the past four years:

October:	Capital stock	:	Advance fund	:	
31 :	outstanding	:	:	:	Total
:	Preferred:	Common	"A" Fund :	"B" Fund:	
1922 :	\$711,900 :	\$ 751,500 :	\$ 299,153 :	----- :	\$1,762,553
1923 :	611,900 :	1,031,500 :	1,012,628 :	----- :	2,676,028
1924 :	476,700 :	1,236,300 :	839,343 :	\$171,607 :	2,774,450
1925 :	355,800 :	1,407,700 :	559,036 :	451,149 :	2,773,735

Recently a conference of the superintendents of all the packing plants and the heads of all the departments was called by the president for "discovering ways and means of cutting down packing costs and at the same time increasing packing efficiency." The general manager said to the superintendents, "We must cut down interest and insurance charges by speeding up the processes of receiving, grading and packing, and we must make good on our promises to the trade to avoid possibility of cancellation. Our competitors have built up their trade by service; they have developed customers that they can virtually depend upon; so must we."

FARMER-OWNED GRAIN HANDLING EQUIPMENT AT BUFFALO

With the completion of its transfer elevator at Buffalo, N. Y., the last link in the chain of marketing facilities of the Saskatchewan Cooperative Elevator Company, Ltd., Regina, Canada, was put in operation. This elevator has been erected to receive the grain shipped from the company's big elevators at the west end of Lake Superior and transfer it into railroad cars or canal boats for movement to the seaboard for shipment to Europe.

The Buffalo elevator property consists of thirteen acres on the Lake front with docks, elevator buildings, loading sheds, and railway tracks. There are 33 circular bins each with a capacity of 23,000 bushels, besides interspace bins and outer space bins. The total storage capacity for the first unit is 1,100,000 bushels. There are four movable towers for unloading boats. These have a combined capacity of 30,000 bushels an hour. The shipping shed is four tracks wide and the tracks back of the shed will hold 70 empty cars. All equipment is operated by electric motors.

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NEEDS OF INDIANA WHEAT GROWERS' ASSOCIATION

Three needs are set forth in the published annual report of the Indiana Wheat Growers' Association, Indianapolis. They are: first, an informal organization of members in each community for handling local problems; second, adequate storage facilities which are completely controlled by the association; and third, the extension of the organization to cover the territory producing a surplus of soft wheat.

The membership of the association is given as 18,259, which represents a gain of about 150 per cent for the past year. Of the total number of members, 18,000 are located in Indiana, 220 in Illinois, and 39 in Ohio.

The 1925 grain delivered to the association was handled by nearly 800 elevators as against 400 a year ago.

A line of credit in excess of one million dollars has been granted to the association by four Indianapolis banks. In addition, credit has been extended by the intermediate credit bank for the district and by a St. Louis bank.

Warehouses in eight cities, handling association grain, have been licensed under the U. S. warehouse act and are issuing warehouse receipts which are available for use as collateral.

IRISH COOPERATORS SHIP CATTLE TO ENGLAND

A plan for the cooperative marketing of cattle is being developed by the Cork Farmers' Union, Ireland, according to a recent consular report. It is proposed that the members of the union ship their cattle to the English market and sell direct to the English buyers. Each lot of cattle is to be inspected by Farmers' Union officials prior to forwarding to the port of embarkation. Special boats will take the cattle to England and special trains will be used in transporting the animals from the port of entry to selected markets. Sales are to be supervised by officials of the Country Gentlemen's Association of England, who will make the collections and remit the net returns to the consignors.

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OVER SIX MILLION DOLLARS FOR HOGS SOLD AT AUCTION

Hog sales by the California Farm Bureau Marketing Association, Bakersfield, Calif., amount to over six million dollars for the seven years that the association has been functioning. During the seven years more than 1,100 auction sales were held at which nearly 300,000 hogs were sold, as will be noted by the figures below which have been compiled from printed matter issued by the association.

Year /a	: Number of Sales	: Number of hogs sold	: Amount of Sales
1919	: 139	: 39,388	: \$1,316,072
1920	: 195	: 51,849	: 1,467,834
1921	: 181	: 44,783	: 940,256
1922	: 184	: 43,204	: 754,247
1923	: 141	: 42,721	: 716,960
1924	: 168	: 45,633	: 584,831
1925	: 135	: 25,999	: 549,250
Total	: 1,143	: 299,377	: 6,329,450

a/ Ending September 30.

The hog producers of six counties are interested in this marketing activity. Sales are scheduled for a year in advance and a large calendar is issued showing the dates for the different auctions, which for each selling point are usually held on the same day of the week. At some points but one sale a month is held, while at others two sales a month are arranged. There are local managers for the different sales and several auctioneers are employed, each of whom has his work planned for the year. The average number of hogs sold per auction for the seven year period is 262.

A COMPREHENSIVE PLAN FOR CANADIAN LIVESTOCK COOPERATIVES

A comprehensive plan has been formulated for the expansion of the cooperative marketing of livestock in the provinces of Manitoba, Saskatchewan and Alberta. An agreement has been entered into by the United Grain Growers, Ltd., and the Alberta Cooperative Livestock Producers, Ltd., whereby the United Livestock Growers, Ltd., is to be the cooperative sales agency for the various livestock associations of the three provinces. The Alberta association is to encourage the formation of livestock shipping associations and to encourage the use of contracts between such shipping associations and their members. These local associations are to be the units of province-wide federations. The Alberta association is to have the naming of three of the six directors of the United Livestock Growers, Ltd., the other three being named by the United Grain Growers, Ltd.

It is further provided in the agreement that when the local shipping associations in Saskatchewan and Manitoba shall federate into provincial bodies similar to the Alberta Cooperative Livestock Producers, Ltd. These bodies shall be given representation on the board of directors of the United Livestock Growers, Ltd.

The agreement also provides that the United Livestock Growers, Ltd., will continue to handle livestock on a commission basis for producers who are not under contract.

The United Grain Growers, Ltd., agrees to assist financially the sales agency until such time as it no longer needs such assistance.

When the structure now being erected is completed, it will consist of local shipping associations federated into three provincial associations; these in turn will be federated for the purpose of conducting a central sales agency which will function for the livestock producers of the three prairie provinces.

The United Livestock Growers, Ltd., Winnipeg, Manitoba, has completed its first year of independent existence. The business now handled by this organization was formerly conducted by a department of the United Grain Growers, Ltd. At the annual meeting of the livestock growers, held November 19, last, the management reported that the two outstanding features of the preceding year had been the shipment of 500 cars of graded feeder cattle into Ontario and the Corn Belt states, and increased exports of live cattle to Great Britain and hogs to the United States. The hogs were shipped largely from Alberta to the Spokane and Seattle markets. It was also reported that the livestock markets in the prairie provinces had received support because of business being developed with Japan.

During its first year of independence, the association handled 115,988 head of cattle, 295,990 hogs and 14,284 sheep and lambs, including stockers and feeders bought on order. The stock had a sales value of \$8,600,000. A patronage refund of \$32,000 was paid at the close of the year.

UTAH ASSOCIATION SELLS EGGS IN NEW YORK CITY

With its own sales agency on the New York City market, the Utah Poultry Producers' Cooperative Association, Salt Lake City, is finding a profitable outlet for the eggs produced by the flocks of its 1,600 members. The association was formed in March of 1923 for the purpose of developing new markets. "Milk White" is the brand name under which the eggs are being merchandised. The movement of eggs out of Utah has increased from 17 to 356 cars a year since the association was organized.

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CALIFORNIA POULTRYMEN ORGANIZED FOR MERCHANDISING

About 2,500 commercial poultrymen make up the membership of the Poultry Producers of Central California, San Francisco. These producers sell the eggs from their 3,000,000 hens through the cooperative association which they organized in 1916. During the year 1925, the output reached a total of about 23,000,000 dozens, with a wholesale value of about \$3,000,000.

In the first year of its existence the Poultry Producers of Central California sold its eggs largely through the wholesale trade. Now it distributes to both wholesale and retail dealers.

The purposes for which organization were effected, are stated as follows: "(1) to stabilize markets and prevent unwarranted price fluctuations, (2) to effect economies in distribution for the benefit of both the producer and the consumer, (3) to prevent a shortage of eggs in one place or a surplus of eggs in another place, (4) to grade and standardize eggs so that the grocer, the hotel, the restaurant, etc., may have a better egg for their customers, and (5) to prevent exploitation of the poultrymen by egg speculators."

In order to assemble the large quantities of eggs rapidly and save transportation to distributors, packing plants and receiving stations are maintained at the following points: San Francisco, Sacramento, Stockton, Santa Cruz, Santa Rosa, Oakland, Petaluma, Napa, Modesta, Rio Linda, Novato, Lodi, Sebastapol, Watsonville, Cotati, Hessel, Concord, Sonoma, and Hayward.

Nine packing plants are maintained in Central California, where eggs are sold to the wholesale trade and to the retail distributors. Six of these plants are equipped with processing machines by which the shells are covered with a thin coating of light mineral oil following which they are placed in storage to await distribution during the fall and winter months. These processed eggs are sold under the "Calpro" brand.

The plant at San Francisco is equipped with machinery for breaking and canning eggs. Mulaid "wholes," Mulaid "whites" and Mulaid "yolks" are put up in tins for the baking trade.

TENNESSEE GROWERS DELIVERING MORE COTTON

Increased deliveries of cotton are reported by the Tennessee Cotton Growers' Association, Memphis. On December 15 the association had received 26,000 bales, while the total quantity of 1924 cotton handled by the association was a little more than 18,000 bales. It is expected that the increase will be 200 per cent. One county now has a 300 per cent record and another has delivered three times as much as last year.

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TEXAS COTTON ASSOCIATION FURNISHES CERTIFIED SEED

Certified cotton seed of a few reliable varieties is being supplied at cost to members of the Texas Farm Bureau Cotton Association, Dallas. This seed has been certified to by the Texas State Plant Board and is guaranteed for its varietal purity, weight, etc. It was rogued in the field, ginned and packed under the supervision of the State Plant Board.

The cotton association is advising its members that more dollars per acre can be secured from certified seed, and urging communities to unite and buy seed in carlots, thus taking advantage of the carlot price and assuring the production of a standard variety for the community.

As with the other state associations, increased deliveries of cotton are reported. More than 200,000 bales had been received on December 14, and cotton was still coming in at the rate of 2,000 bales per day.

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BIG DISTRIBUTION GOES TO NORTH CAROLINA GROWERS

About \$1,125,000 was distributed to members of the North Carolina Cotton Growers' Cooperative Association, Raleigh, the third week in December, on cotton received before the first of that month. With these checks the farmers have received 15 cents per pound, basis middling. The quantity of cotton received prior to December 1 was approximately 125,000 bales, and during the first half of the month about 25,000 more bales came in. The next distribution will be planned to bring the price on these 25,000 bales up even with that on cotton received previously.

More cotton has already been received than the total for any previous year. The largest quantity delivered to date was by a woman member who sent in 630 bales. She is quoted as saying that "the association benefits women farmers particularly as it relieves them of all worry, the trouble of insurance and storage, and furnishes expert classing of the cotton."

FINANCIAL CONDITION OF DARK TOBACCO ASSOCIATION

A consolidated balance sheet for the Dark Tobacco Growers' Cooperative Association, Inc., Hopkinsville, Ky., and the Growers' Warehousing Corporations, as at the close of business September 30, 1925, has been prepared by certified public accountants and is published in the December issue of the Tobacco Planter. This statement shows assets amounting to \$9,042,120, including cash \$544,199, and land, buildings, machinery and equipment valued at \$3,181,530 after an allowance for depreciation.

The liabilities include bonded indebtedness of \$599,600, other long-term obligations of \$184,288, reserves of \$3,169,844, and outstanding capital stock of \$454,040, of which \$452,350 is 8 per cent cumulative preferred stock.

Among the reserves is an item of \$2,633,960 for the purchase of common stock of the Growers' Warehousing Corporations. Operating reserves are listed as follows: from 1922 crop, \$208,589; 1923 crop, \$126,923; 1924 crop, \$98,818. Another reserve item is \$24,138 for contingencies.

It is announced that the receiving stations for the 1925 tobacco crop will be opened about January 15.

During the few weeks following November 1 the management of the association sold almost 30,000 pounds of its holdings.

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WISCONSIN TOBACCO POOL MAKES THREE BIG SALES

In three large sales made recently, the Northern Wisconsin Cooperative Tobacco Pool, Madison, has sold most of its stemming tobacco of the 1924 and 1925 crops. The value of the tobacco sold under the three contracts is more than two million dollars.

These large sales so early in the season make possible a larger advance than ever paid before by the pool on stemming tobacco. The executive board has authorized advances of 8, 7, 6, and 4 cents per pound at time of delivery. This is reported as from 60 to 80 per cent of the sale price.

The first sale was said to be the largest single contract for tobacco ever made in Wisconsin. Delivery was begun immediately of 1924 tobacco. Removal of the 1924 tobacco will relieve the warehouses and provide room for the 1925 crop.

The second big sale covered stemming tobacco in a number of warehouses in the southern part of the state, also some new crop stemming.

All the 1924 tobacco is to be delivered before the end of January. This will make it possible to distribute about half a million dollars to the growers in final settlement before tax paying time. It is expected that during the next four months the growers will receive from the pool fully two and one-quarter million dollars in final payments and advances on the 1925 crop.

By order of the board of directors, the membership books were closed on December 31.

INDIANA FARMERS MARKET WOOL COOPERATIVELY

wool to the amount of 402,000 pounds, consigned by 1,702 producers was included in the pool which operates under the name of the Indiana Wool Growers' Cooperative Association, Indianapolis. This wool was marketed through the Ohio Wool Growers' Association, Columbus, Ohio.

A contract for the marketing of wool has been drafted and is to be submitted to the wool producers of Indiana in the near future. Following the signing of the contract by a substantial number of producers the actual organization of the wool growers' association will be completed.

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COOPERATIVE WOOL MARKETING IN TENNESSEE

Beginning with 1919, Tennessee wools have been marketed cooperatively with the aid of the Marketing Specialist of the State College of Agriculture. The plan of procedure is to arrange a series of sales in the various counties and to announce these sales through the press, also to send the schedule to the woolen mills of the state and to merchants in the East.

During the summer of 1925, sales were held in 26 counties and 157,589 pounds of wool were sold for \$67,307.

Below are given figures available for the several years this plan of marketing has been in operation:

Year	: Number of	: Wool sold	: Value
	: counties	: (Pounds)	
1919	: 8	: 31,337	: \$16,194
1920	: 15	: 92,750	: 33,557
1921	: 12	: 123,031	: 22,747
1922	: 16	: 135,877	: 51,475
1923	: 34	: 248,308	: 118,932
1924 ^a	: 36	: 249,223	: 87,064
1925	: 26	: 157,589	: 67,307

^aBulletin of National Association of Wool Manufacturers.

Previous to the sales, demonstrations have been given in preparing fleeces for market, resulting in a noticeable improvement in the appearance of the wools delivered.

NEW BRUNSWICK FARMERS UNITE TO BUY FERTILIZER

Fertilizers and supplies to the amount of \$150,000 were handled in the 1924-25 season by the Agricultural Societies United of New Brunswick. At a meeting held November 11 it was decided that all orders for fertilizers for 1926 must be placed early in January.

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TENNESSEE GROWERS BUYING FERTILIZERS COOPERATIVELY

Fertilizer pools for next season are being planned by the Tennessee Cooperative Supplies Association, Columbia, Tenn. Several thousand tons of nitrate of soda have already been contracted for and most of this tonnage has been allotted to the various county farm bureaus. Contracts for acid phosphate and mixed fertilizers will be made in the near future. Indications are that the 1926 pools will be larger than those of 1925.

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LOUISIANA STORING CERTIFIED SEED POTATOES

Three cars of certified seed potatoes for early planting have been purchased by the Louisiana Farm Bureau Purchasing Department and placed in cold storage in order that they may be on hand when wanted. This venture is in the nature of an experiment. Each year the bulk of the Irish potatoes wanted for seed are shipped in during January and February and in case of extreme cold weather in the North, shipments can not be made and planting is delayed. While growers were assured that cold storage would not affect the germination of the seed stock, they were advised to make a test of the matter this year.

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COOPERATIVE PURCHASING BY INDIANA FARM BUREAU

Total purchases by the Indiana Farm Bureau Purchasing Department, Inc., Indianapolis, for the year ending October 31, 1925, were \$2,260,178. Wholesale purchases amounted to \$1,877,851 and retail purchases to \$382,327. Net profits for the year were \$72,010. A patronage dividend of \$26,510 was paid on the fall (1924) fertilizer pool and \$23,074, on the spring (1925) fertilizer pool. Surplus and undivided profits are given in the report of October 31 as \$53,967. There was outstanding on that date, share capital to the amount of \$2,600.

Among the supplies purchased were 24,890 tons of fertilizer, 32,320 tons of coal, 17,154 tons of feed, 9,222 bushels of seed and 603,255 pounds of binder twine.

COOPERATIVE INSTITUTES IN WISCONSIN

Cooperative marketing institutes are being held in Wisconsin under the leadership of the State Superintendent of Farmers' Institutes. The first such institute was held at Abbottsford, November 18, 19 and 20. Seven sessions were held and the total attendance was reported as 1,018. A second institute was scheduled for Spring Green for the middle of December.

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EVENING CLASSES PROVIDED BY FRANKLIN CREAMERY

Several evening classes have been arranged by the Educational Committee of the Franklin Cooperative Creamery Association, Minneapolis, Minn., in connection with a similar committee from the Minneapolis Central Labor Union. These classes are to begin early in January and to continue for 12 weeks, two evenings a week. Three courses have been arranged, as follows: machinery and progress, a course in popular economics; history of industry and cooperation; and English. If sufficient interest is expressed a popular course in chemistry will be added. A small fee will be charged to help defray expenses. Employees and stockholders of the Franklin Cooperative Creamery Association are being urged to take advantage of this opportunity.

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THIRD COOPERATIVE TRAINING SCHOOL GRADUATES TWENTY-FIVE

Twenty-five students attended the third training school under the auspices of the Northern States Cooperative League, held at Minneapolis during October and November, 1925. Upon completion of the course the students received diplomas. Among the subjects to which attention was given were: organization and administration of cooperative societies, principles of cooperative management, management of cooperative stores, bookkeeping, business correspondence, and commercial arithmetic.

Seventeen of the students came from Minnesota, four from Wisconsin, three from Michigan, and one from New York. There were four women among the students. The average age was 23.2 years, whereas the average of the students attending the second school was 30.9 years.

The first school under the Northern States Cooperative League was held for five weeks in 1923 with an attendance of 22. The second school, held in 1924, covered a period of six weeks and had an enrollment of 19. This third school had an enrollment of 25 and lasted eight weeks. There was a total of 320 class periods of 50 minutes each.

(See Agricultural Cooperation, Sept. 14, 1925, p. 392.)

LEGAL PHASES OF THE PRODUCERS' CONTRACT

"A Brief of the Legal Phases of Cooperative Marketing and the Producers' Contract" prepared by George M. Hubbell, has been published by the Missouri Farmers' Association, Columbia, Mo. The various cases and points which have been considered by the courts are listed along with notes by the writer.

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MISSOURI BULLETIN TELLS FRUIT GROWERS HOW TO INCORPORATE

"Incorporation Plans for Fruit Marketing Associations," is the title of Circular No. 168, issued by the University of Missouri, College of Agriculture. After discussing the need for incorporation, the advantages, the costs, and the liability of members, the bulletin gives instructions for incorporating, with suggested forms of articles of association, by-laws, and organization agreement.

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TWO VOLUMES ON COOPERATION IN AMERICA

American Cooperation is the title of two volumes just off the press and containing the papers and discussions of the first summer session of the American Institute of Cooperation held at the University of Pennsylvania, Philadelphia, July 20 to August 15, 1925. The two volumes consist of over 1,400 pages and form the most voluminous mass of authoritative source material on cooperation yet published. The various contributions are by men who for years have been actively engaged in the conduct of great cooperative enterprises, as well as by men who have been studying the philosophy of the cooperative movement. The publication contains valuable first hand detailed information regarding the experiences of cooperators in this country and abroad.

The volumes are "dedicated to the Rt. Hon. Sir Horace Plunkett, K. C. V. O., founder of Agricultural Cooperation in Ireland, as a token of the esteem in which he is held by American Cooperators."

Thirty-three pages dealing with the purpose and scope of the institute precede the formal discussions, which are grouped under a number of heads including the following: Basic Principles of Cooperation, Educational and Social Aspects, Field Service, Legal Phases, Financing, Business Management, Markets and Price Policies, and Supply Buying. The second volume is given over to commodity marketing with the following grouping of subjects: Dairy Products, Milk Classification and Prices, Poultry and Eggs, Livestock, Fruits and Vegetables, Grain and Cotton.

Information regarding copies can be obtained from the American Institute of Cooperation, 1731 Eye St., N. W., Washington, D. C.

COOPERATIVE ASSOCIATION HELD NON-TAXABLE IN KANSAS

On December 5, 1925, the Supreme Court of Kansas held that the Kansas Wheat Growers' Association was not liable to taxation as a merchant under a statute providing that "every person, company or corporation who shall own or hold, subject to his control, any personal property within this state, which shall have been purchased with a view of being sold at an advanced price or profit, or which shall have been consigned to him for the purpose of being so sold." The State Tax Commission in 1923 ruled that the association should be classed as a merchant for purposes of taxation and as such "required to pay taxes upon the average amount of wheat in its possession during the year." The association then brought suit against the commission and enjoined them from collecting the tax, and the Commission appealed the case.

It is clear from a reading of the statute quoted above that the question for decision was whether the wheat marketed by the Kansas wheat Growers' Association was "purchased with a view of being sold at an advanced price or profit." The court answered this question in the negative. The following quotation from the opinion in the case shows the basis thereof:

The relation of the association and its members, looked at broadly, seeking the real intention of the parties to the arrangement as gathered from the contracts as a whole, considered in connection with the statute, is not that of buyer and seller. The association has indeed a legal entity of its own; it is a corporation, but not a corporation for gain; it may make and enforce contracts with its own members and with others; it may buy, sell, sue and be sued. But it seeks no profit for itself. It is a mere instrument through which the members undertake by concerted action to market their own crops. The members do not bargain with it over prices. The bond of membership binds each to the others to sell only through it, for in no other way can cooperation be enforced. The members are the association in a fuller sense than the stockholders of a corporation having capital stock are the company. The rights acquired by the association with respect to the wheat are held for the benefit of its members. They are the real owners, while it has possession, control, and the power of sale, exclusive and irrevocable. Moreover, the association is not a merchant within the language of the statutory definition, for the merchant there described must have possession of personal property either purchased by it for sale at an advanced price or profit, or consigned to it to be sold in that manner -- that is, at an advanced price or profit. Here no advanced price can be in contemplation, for no price is made as between the member and the association. He gets all it

receives, less present and future expenses. And if the sale by the association can be said to be made at a profit at all, the profit is that of the member, while the profit referred to in the statute must clearly be that of the merchant.

Broadly speaking, a cooperative association is the joint "hired man" of its members and as such it acts pursuant to certain "instructions" and conditions. This concept seems to have been adopted by the court.

L. S. Hulbert.

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FEDERAL COURT ON INVOLUNTARY BANKRUPTCY OF COOPERATIVE

Analogous in principle to the case discussed above is one recently decided by the United States District Court for the District of Indiana, in which it was held that the Dairy Marketing Association of Fort Wayne, Inc., could not be thrown into involuntary bankruptcy because under the bankruptcy statute the only "corporations subject to involuntary bankruptcy are 'moneyed business or commercial corporations except municipal, railroad, insurance or banking corporations.' " Certain members of the association filed a petition for the purpose of throwing the association into bankruptcy. The facts in the case were agreed upon and it was stipulated that the association, at the time of the filing of the petition, was engaged in the cooperative marketing of dairy products in accordance with the cooperative marketing act of Indiana under which it was organized. The following quotations are taken from the opinion in the case:

The character of a corporation or association must be determined from its articles of incorporation and the statute authorizing its formation. As counsel for defense in their brief very well say, 'If the Supreme Court of Indiana were called upon to decide whether or not this cooperative Dairy Marketing Association of Fort Wayne, Inc., was a corporation organized for pecuniary profit, any lawyer could absolutely anticipate its decision.'

In view of these decisions it would seem that Congress intended when it used the words 'moneyed, business or commercial corporations' to include such corporations as were engaged in enterprises for profit and did not intend to include charitable, fraternal, educational, literary, or non-profit cooperative marketing associations, none of which are conducted for profit to themselves or to their members as such...

L. S. Hulbert

RIGHT OF PRINCIPALS TO DISCHARGE AGENTS

The Supreme Court of Vermont recently decided the case of Coates v. Eastern States Farmers' Exchange, 130 A. 710. Mr. Coates brought suit to recover certain commissions alleged to be due him growing out of the sale of feed and grain as the agent of the exchange. A portion of the contract under which Mr. Coates acted reads as follows: "Memorandum of agreement between H. P. Coates, agent, representing the Bennington County Farm Bureau and the Eastern States Farmers' Exchange (the Exchange) of Springfield, Mass., in the sale and distribution of feed and grain in the following territory: Bennington County."

The agreement specified the commission that Mr. Coates was to receive, and contained provisions with respect to his duties under the contract and in regard to the obligations of the exchange. The agreement was for one year, and was subject to cancellation only in the event that either party failed to live up to its terms, or in the event that either party was unable to continue the agreement for reasons beyond his control, in which case thirty days' notice was required.

Mr. Coates contended that he had sold 2,000 tons of feeds and grain as the agent of the exchange, which was to be delivered subsequently by it, and that the exchange broke the contract by refusing to recognize him as agent, and by failing to make the deliveries of the feeds and grain to him. The exchange recognized one, Russell, as its agent in filling the orders taken and forwarded by the plaintiff.

The exchange filed an answer to the complaint in which it alleged that he had been discharged by the Bennington County Farm Bureau, and that the contract involved was really made with the farm bureau, and that Mr. Coates simply acted for it in the making of the contract. The following, taken from the opinion in the case, summarizes the allegations in the answer of the exchange:

The defendant alleges that, acting in good faith, it notified the plaintiff that the contract was of no further force and effect. It further alleges that it was led to take this action for the reasons, in substance: (1) That plaintiff had violated his instructions; (2) that plaintiff had been discharged by the Farm Bureau; (3) that before giving such notice it had learned of certain delinquencies of the plaintiff in the sale of seed for another company, which are detailed in the answer; (4) that after the contract was executed plaintiff agreed to furnish a bond to secure the performance of the contract on his part, but had neglected and refused to do so.

No evidence was introduced in the trial court, which held that the discharge of the plaintiff by the farm bureau as a matter of law, automatically cancelled the contract which the plaintiff had with the exchange.

The plaintiff carried the case to the Supreme Court of the State, which court held that it could not be said as a matter of law that the discharge of the plaintiff by the farm bureau terminated the contract, but that this was a question of fact, in regard to which evidence might be introduced. The contract was signed by the plaintiff with the word "agent" following his name, and the exchange contended that this showed that he was not acting individually, but as the representative of the farm bureau.

In the lower court and on appeal the plaintiff contended that the allegation, in the answer of the exchange to the effect that he had been guilty of financial delinquencies, was irrelevant and constituted no defense. In passing upon this contention, the Supreme Court said:

Even though an agency is for a definite term, the principal has a right to revoke it before the expiration of the term, without incurring liability for damages, because of the agent's failure faithfully to perform his express or implied undertakings as agent.

The default on the part of an agent which will justify the revocation of the contract is not confined to his dealings with the principal. This right of revocation for cause is held to extend to moral delinquencies, which are calculated to affect injuriously the agent's reputation, such as public drunkenness and disorderly conduct (*Base Furnace Co. v. Glasscock*, 82 Ala. 452, 2 So. 315, 60 Am. Rep. 748); illicit association with a woman of bad repute (*Gould v. Magnolia Metal Co.*, 207 Ill. 172, 69 N. E. 896); widely known charges of fraud (*Taylor v. Levin Co. (C.C.A.)* 274, F. 275); misappropriation of funds (*Marshal v. Mathews*, 152 Ga. 396, 110 S.E. 165). The case last cited shows that the right to revoke the contract would exist if the plaintiff was guilty of the misconduct alleged. See note 32 A. L. R. 227, for a general discussion of this subject; also *Bradley v. Blandin*, 91 Vt. 472, 475, 100 A. 920.

The foregoing makes it plain that an agent may be discharged by his principal for wrongful acts or conduct not connected with the agency although the contract of employment contains no provision in regard to the acts or conduct in question.

The decision of the trial court was reversed, and the case sent back for further proceedings consistent with the opinion of the Supreme Court.

L. S. Hulbert

A SURVEY OF COOPERATION IN POLAND

A survey of agricultural cooperation in Poland is published in the International Review of Agricultural Economics for July-September, 1925, from which the following summary has been made.

As in a number of other European countries, the first efforts at cooperation in Poland were partly philanthropic and partly truly cooperative. A number of cooperative banks which were partly philanthropic were established in the eighteenth century, also a number of "grain storehouses" which were really loan banks loaning their capital in the form of grain to the people in the neighborhood.

In 1822 an original type of society was formed by Stanislaw Staszic, a well known political writer of Poland and "the moving spirit in the constitution of 1791." He offered the estate of Hrubiedzow to the inhabitants, numbering 329, if they would form an agricultural cooperative society along certain prescribed lines. The estate was divided into large holdings and each member was required to make a small contribution per acre to the company. The members were jointly and severally liable for payment of taxes and were required to assist other members in case of fire or crop failure. The society was also bound to supply funds to maintain five primary schools, and a certain number of scholarships for more advanced work. A bank owned by the society made loans to members for agricultural improvements and for the formation of commercial and industrial enterprises. Three grain banks were maintained which made loans of grain to members. A hospital, homes for the aged, for orphans, and for cripples, were provided, also a resident physician.

It is interesting to note that through all the vicissitudes of fortune which have befallen Poland, this Hrubiedzow Society has endured to the present time, the sole survivor of the early cooperative movement in that country.

At the present time the cooperative institutions of Poland fall into three groups: the Stefczyk cooperative local banks and the societies attached to them, the Wawrzyniak popular banks and attached societies, and the consumers' societies. The two types of banks were formed after the two German types, the Raiffeisen and the Schulze-Delitzsch, with adaptations to conditions which have made them purely Polish.

The popular banks are characterized by the following features: "unlimited liability, small subscriptions and dividends, the exclusion of the bill of exchange as a form of credit, and the impossibility of alienating the reserves." Since the War, certain changes have been made and only short term credits are granted. These institutions are mostly under voluntary management.

In the Republic there are more than 2,000 of these cooperative credit societies with a membership in excess of 500,000. Of these 250 were formed in 1925.

In connection with these banks are a large number of "agricultural selling associations" which handle agricultural produce, fertilizers, fuel, machinery, building material, and other supplies.

In December, 1924, there were 168 cooperative dairies with a total membership of 22,500 in connection with the Stefczyk banks, and 200 more were organized during 1925. There are also egg-selling societies, basket-weaving societies, and a number of other types. A Central Bank of Agricultural Credit Societies serves the credit needs of the cooperatives.

A distinctive feature of Polish cooperation is the work of the audit unions which supervise, advise and represent the societies. These unions have proved so influential that "it would not be an exaggeration to say that these audit unions have brought about agricultural cooperation in Poland." Six such audit unions are in operation and besides supervising and advising the societies they publish periodicals, handbooks and instructions, also they represent the societies in legal, administrative and financial matters.

The activities of all the Stefczyk societies are grouped under an overhead organization known as the Confederation of the Agricultural Societies of the Republic of Poland. Thus under one management there are 2,200 banks, about 400 of which are not working at present, 169 agricultural selling societies, 368 cooperative dairies, 27 cooperative egg selling societies, and 54 miscellaneous societies, in all about 2,800 societies with nearly 700,000 members.

The Wawrzyniak popular banks, like the people's banks of Germany, belong distinctively to the townspeople. However, they have formed a number of agricultural societies and other groups include some farmer members. The list includes 72 agricultural sale societies, 9 milk-selling societies, 8 cooperative land distributing societies, 4 cooperative bakeries, one sugar refinery, one slaughter house. This group also has its audit unions, its central bank, and its federation, known as the Federation of the Union of Cooperative Societies, with offices at Poznan. The banks in this group have limited liability.

Consumers' cooperative societies were established in Poland as early as 1869, but the present movement is of recent date and was greatly stimulated by the difficulties in securing food supplies during and after the war. Unions of groups of societies have been formed in different parts of the country and audit unions of these consumers' societies have been formed in a number of towns.

ONTARIO COOPERATIVE HANDLES LIVESTOCK, EGGS, TURNIPS, BUTTER

The net trading profit of the United Farmers' Cooperative Company, Ltd., Toronto, Canada, was \$60,708 for the eleven months ending September 30, 1925, according to the report of the chartered accounts. Over \$50,000 of the amount was carried to surplus to build up the net worth which was impaired by the operations prior to 1924 of a string of retail stores.

The net worth of the company on September 30, 1925, was \$335,649, with outstanding capital stock of \$875,195. Merchandise inventories on that date totaled \$344,377, and real estate, plants and equipment were valued at \$165,450.

This company, which is the commercial side of the movement led by the United Farmers of Ontario, was incorporated February 7, 1914, with authorized share capital to the amount of \$10,000, which has since been increased to over \$1,000,000. In 1920 the company had over 20,000 shareholders and had a turnover of nearly \$20,000,000. The failure of the string of retail stores which had been developed was the principal cause of the impairment of the capital by more than half a million dollars. This loss is now being recovered by yearly trading profits.

The company conducts several different departments and has offices at a number of points. The livestock commission department, started in 1919, is located at the Toronto livestock market. During the eleven months ending September 30, 1925, this department received 6,212 carloads of livestock which was sold for over \$9,000,000.

A creamery department at Toronto is turning out about two and one-half million pounds of butter a year. This creamery is said to make more butter than any other similar enterprise in the Dominion of Canada. Profits from this department to the amount of \$39,000 have been distributed as patronage dividends.

Eggs, live poultry and dressed poultry are handled by the produce department. For the eleven months ending September 30, over one and one-half million dozen eggs were handled. Poultry was sold on a commission of two cents a pound. An egg-grading station is operated at Montreal in addition to the Toronto station.

Potatoes, turnips, hay, and straw are sold for members. General supplies are purchased in quantities and a mail order department is maintained through which many lines of requisites are purchased. The seed department conducts pools for red clover, alfalfa, alsike, and sweet clover. Approximately 1,500 tons of feeds are purchased annually.

At a recent meeting of the board of directors it was decided that only those patrons should participate in the dividends who were shareholders of the company or members in good standing of the United Farmers of Ontario, except that patrons who could not meet the above requirements might participate in the commodity dividends by making an annual payment of \$2 to the educational fund of the United Farmers of Ontario.

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